

December 16, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE PUBLIC LIBRARY TO SUBMIT AN APPLICATION
FOR LIBRARY BOND ACT MATCHING GRANT FUNDS TO CONSTRUCT
THE TOPANGA LIBRARY PROJECT AND APPROVE AGREEMENT FOR OPTION
TO ACQUIRE REAL PROPERTY FOR THE PROJECT (3)
(3 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
DIRECTOR OF PUBLIC WORKS THAT YOUR BOARD:**

1. Find that your Board has previously approved and adopted the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for this project in compliance with the California Environmental Quality Act (CEQA).
2. Approve the State grant application (Attachment 1) requesting State matching funds in the amount of \$5,222,095 (which represents 65% of eligible project costs) and authorize the Chairman of the Board and the County Librarian to sign the application form.
3. Authorize the County Librarian, the Director of Public Works, and the Chief Administrative Officer to complete and submit all required supporting documents and reports for the grant application.
4. Approve the total grant project budget of \$10,010,790 in the grant application for the Topanga Library Project.
5. Approve and authorize the Chairman of the Board to sign the attached joint use cooperative agreement (Attachment 3) between the County and the Los Angeles Unified School District.

6. Approve and authorize the Chairman of the Board to sign the attached Option Agreement (Attachment 4) on behalf of the County in order to acquire control over the proposed site of the library project.
7. Approve the attached resolution (Attachment 5) making certain certifications as required in the Bond Act regulations.
8. Authorize the County Librarian to act as agent for the County, and to conduct negotiations, execute documents, and submit other information as may be required in support of the grant project.

IT IS FURTHER RECOMMENDED THAT YOUR BOARD, AS GOVERNING BODY OF COUNTY WATERWORKS DISTRICT NO. 29:

1. Find that the property located at 122 North Topanga Canyon Boulevard, and legally described in Exhibit A to the attached Option Agreement (Attachment 4), is surplus to any present and foreseeable needs of County Waterworks District No. 29 (the District).
2. Certify that the District, as a responsible agency under CEQA, has independently considered and reached its own conclusions regarding the environmental effects of the proposed project and the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program adopted by the County, as lead agency; determine that the documents adequately address the environmental impacts of the proposed project; find that the District has complied with the requirements of CEQA with respect to the process for a responsible agency; and adopt by reference the County's Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (Attachment 6).
3. Approve and instruct the Chairman of the Board to sign the attached Option Agreement (Attachment 4) on behalf of the District as settlement of eminent domain proceedings initiated by the County.
4. Instruct the Chairman of the Board to execute the Grant Deed (Exhibit D of Attachment 4), approved as to form by County Counsel, should the County exercise the option in accordance with the Option Agreement, upon presentation of the Grant Deed by the Department of Public Works.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendations will authorize the Public Library to submit a grant application (Attachment 1) to the State for grant matching funds in the amount of \$5,222,095 under the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 (Bond Act) to construct the Topanga Library Project. If approved by your Board, the Public Library will submit the grant application and required supporting documents to the State Library by the third and final grant application cycle deadline of January 16, 2004.

Approval of the recommendations will also authorize the Public Library, Department of Public Works, and Chief Administrative Office to complete and submit various reports and other documents required by the Bond Act regulations to support the grant application. The project will result in the construction of a new 11,048 square feet library facility, including 52 on-site parking spaces, on 0.62 acre of land located on Topanga Canyon Boulevard in the unincorporated community of Topanga. In addition, the project will include off-site road improvements on Topanga Canyon Boulevard to improve access to the library site. The residents of Topanga are currently served by the Public Library's Las Virgenes Bookmobile, which provides an average of 50 hours of library service per month at various locations in the community. For additional library services beyond the limited services provided by the bookmobile, local residents must travel to County library facilities in Agoura Hills, 17 miles to the north, and in Malibu, 13 miles to the south.

The proposed new library will be designed to meet the library service needs of the residents of Topanga based on population projections through the year 2020. Service improvements at the new library include: an adult reading area; a homework center to provide homework assistance for students in grades K-12 and computer training; a community meeting room to seat 75 people; a group study room to seat six people; a dedicated children's area with a family space for children and their parents; expanded reference collection, and a special collection devoted to environmental subjects; a teen area; a dedicated room for the Friends of the Library; 18 public access computers, and two self-service checkout terminals; and a new collection of 42,000 books and audiovisual materials.

The joint use cooperative agreement with the Los Angeles Unified School District provides for a jointly operated homework center as part of the new library. Approval of this agreement will make the County's grant application eligible for first priority consideration for funding by the Bond Act Board.

Approval of the Option Agreement for acquisition of County Waterworks District No. 29 property (the Topanga Property) for construction of the Topanga Library Project will provide site control to the County, as required by the Bond Act regulations. On November 25, 2003, your Board approved a Resolution of Necessity authorizing the institution of an eminent

domain action for acquisition of the Topanga Property for the Topanga Library Project. The County and District negotiated the attached Option Agreement (Attachment 5) in lieu of the County proceeding with an action in eminent domain in order to defer payment of acquisition costs to and until the State awards a grant for the Topanga Library Project. If the State awards a grant and the County exercises its option, the Option Agreement will provide the District with the fair market value for the Topanga Property, which is surplus to the District's present and foreseeable needs.

If a grant is awarded by the State for this project, we will return to the Board to accept the grant, consummate the purchase of the Topanga Property, award necessary contracts to begin the project, and approve any required appropriation adjustment to fund project costs. Notification of a grant award by the State is anticipated by August 2004.

Implementation of Strategic Plan Goals

Approval of this grant application is consistent with the County's Strategic Plan Goal of Fiscal Responsibility since construction of this facility represents an investment in public infrastructure. It is also consistent with the goal of Service Excellence since the proposed new facility will provide improved library service to the residents of the unincorporated community of Topanga. Approval is also consistent with the goal of Children and Families' Well-Being as the library will provide educational facilities and programs for enhancing educational/workforce readiness.

FISCAL IMPACT/FINANCING

The net County cost for this project is \$4,682,070. The total project budget for purposes of the grant application is \$10,010,790 which includes an amount of \$340,000 for the appraised value of the site, and expenditures of \$106,625 incurred prior to the application date for architectural plans and drawings. The appraised value of the site is included in the grant budget and allowed by the State as a credit against the County's local matching funds. The credit of \$106,625 for architectural plans and drawings results in a net project cost of \$9,904,165.

Under the Bond Act regulations, the State will reimburse the County \$5,222,095 for 65% of eligible project costs. Eligible costs include site development; design and construction; furniture, fixtures, and equipment; and related planning and project management costs. The County is responsible for providing \$4,788,695 which represents matching funds of 35% of eligible costs (\$2,811,897), plus all ineligible costs (\$1,976,798). Ineligible costs include the purchase of library books and materials, and other costs not allowed as eligible costs under the Bond Act regulations.

The allowable credit of \$106,625 (for pre-application costs) results in a net County cost for the project of \$4,682,070. This net cost will be financed by available Third District Capital Project Funds and Third District Road Funds. (Attachment 2 provides a summary of all costs associated with this project.)

Operating Budget Impact

The Bond Act commits the County to operate the library for a period of 40 years. If the State approves a grant award for this project, it is anticipated that the new facility will begin operation in September 2007, and funding for annual operating costs will not be required until that time. The annual budgetary cost for operating this new facility is estimated at \$709,000 based on the current costs for staffing, support, facility maintenance, and other operating costs that will be required. The Public Library does not expect to have funds available in its operating budget to pay for the increased annual cost of operating the new facility, and will request additional funding for those new costs beginning in Fiscal Year 2007-08.

In addition, one-time start-up costs of \$1,500,000 are required to purchase the library books and materials for the new facility's initial collection. Funding for the purchase of those materials is part of the ineligible cost portion of the project budget referenced above. This amount is included in the available financing of the total net County costs, and would be required beginning in Fiscal Year 2006-07.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 7, 2000, the voters of California approved Proposition 14, which established the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000, creating a \$350 million State bond program for construction and renovation of library facilities. The Bond Act provides grant funds to local library jurisdictions on a 65% State – 35% local matching basis. Grant funds will be awarded on a competitive basis in three separate application and funding cycles, of which the deadlines for the first and second cycles have passed. The deadline for the third and final cycle is January 16, 2004. If approved by your Board, this grant application will be submitted for the third funding cycle. The State is expected to take approximately six to seven months to review grant applications and award grant funds.

It is recommended that the Board approve the cooperative agreement (Attachment 3) with the Los Angeles Unified School District to provide a jointly operated homework center as part of the proposed library project. The Bond Act and the associated State regulations provide first priority consideration for funding of projects where the agency that operates the library and

one or more school districts have such a cooperative agreement. The agreement has been approved as to form by County Counsel and approved by the School District. Your Board's approval of the joint use cooperative agreement ensures that the Topanga Library Project grant application will receive first priority funding consideration by the Bond Act Board. The homework center will provide technology resources, computer training, and homework assistance for students in grades K-12 to enhance their academic achievement, and will support and enrich the local school's curriculum.

The Bond Act regulations require the County to own a site, or have an option to acquire a site, for the proposed project at the time of application. On November 25, 2003, your Board adopted a Resolution of Necessity authorizing the exercise of the County's power of eminent domain to acquire the District's Topanga Property for the construction of the Topanga Library Project. The County identified the Topanga Property as the most suitable site to construct the Topanga Library Project and approached the District concerning its acquisition. While the Topanga Property is surplus to the needs of the District, California Water Code restrictions prohibit the District from making a direct sale of its property to the County. All District property valued in excess of \$100 must be disposed of at auction to the highest bidder. Accordingly, adoption of a Resolution of Necessity authorizing the initiation of an eminent domain action to condemn the Topanga Property was necessary in order for the County to directly acquire the Topanga Property from the District. The County and District have negotiated an agreement with the District for an option to purchase the Topanga Property in lieu of condemnation, in order to defer payment of acquisition costs to and until a Grant is awarded. For an option price of \$500, the Option Agreement sets the purchase price at \$340,000 and provides for an initial option term of one year, with an additional term of two years, if the County has not received written notification from the State that a grant has been awarded or if the County obtains acceptable alternate funding.

The purchase price of \$340,000 is based upon an appraisal of the fair market value of the Topanga Property by a qualified real estate appraiser. The County has complied with the requirements of Government Code Section 65402 for this proposed acquisition and the Department of Regional Planning has determined that the acquisition is in compliance with the General Plan. Upon determination by the County that it will exercise the option, notice of your Board's intention to acquire the Topanga Property must be given pursuant to Government Code section 25350. The Option Agreement (Attachment 4) has been approved as to form by County Counsel.

The Bond Act regulations require that the Board of Supervisors adopt a resolution taking certain actions in support of the County's grant application for this project. These actions include: certification of the project budget; certification of the accuracy and truthfulness of all information submitted in the application form and supporting documents; a commitment to provide the 35% local matching funds; a commitment to provide the supplemental funds

necessary to complete the project at the level stated in the library project budget; a commitment to make available the local matching funds and supplemental funds when needed to meet the cash flow requirements of the project; a commitment that the County will operate the completed facility and provide public library direct service; and a commitment to dedicate the facility to public library direct service for a period of 40 years following completion of the project. The attached resolution (Attachment 5) has been approved as to form by County Counsel and conforms to the Bond Act regulations.

ENVIRONMENTAL DOCUMENTATION

On November 25, 2003, your Board found that the Topanga Library Project will not have a significant impact on the environment with the incorporation of the mitigation measures proposed; approved the final Mitigated Negative Declaration; and adopted the Mitigation Monitoring and Reporting Program (Attachment 6). The prior approval and adoption of this environmental documentation by your Board ensure that the Public Library has met CEQA compliance requirements for the project and is able to submit proof of compliance as part of the grant application as required by the Bond Act regulations.

With respect to its approval of the Option Agreement, the District must also comply with CEQA. In its role as a responsible agency, your Board, acting on behalf of the District, must independently consider the environmental documents prepared by the County as lead agency and reach your own conclusions regarding the environmental effects of the proposed project. After having done so, it is recommended that your Board determine that the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program adequately address the environmental impacts of the proposed project, and adopt said documents (Attachment 6) by reference.

IMPACT ON CURRENT SERVICES

Approval of the recommended actions will have no impact on current services. Existing Public Library bookmobile service in Topanga will continue uninterrupted during the construction of the new facility if grant funding is awarded for this project.

CONCLUSION

The Bond Act provides a unique opportunity to obtain State matching funds for the construction of a new library to serve the residents of the Topanga community who are not adequately served by the existing limited bookmobile service. It is therefore requested that your Board approve this grant application which will allow the Public Library to seek construction funds that would not otherwise be available to build a needed library facility at a significantly reduced cost to the County.

Please return an adopted copy of this letter to the Public Library, Department of Public Works, and Chief Administrative Office-Capital Projects Division. In addition, please return the following to the Public Library for further processing: a fully conformed original of the grant application form with original signatures; three fully conformed copies of the joint use cooperative agreement with original signatures; two fully conformed copies of the Option Agreement with original signatures; and a fully conformed copy of the Resolution.

Respectfully submitted,

MARGARET DONNELLAN TODD
County Librarian

JAMES A. NOYES
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

MDT:DF:jm

Attachments

e: County Counsel
Executive Office, Board of Supervisors